



Date: June 25, 2001

TO: Washington State Senators and Staff

FROM: Stan Pynch, Director  
Senate Committee Services

SUBJECT: Addendum to Bills Passed During the 2001 Regular Legislative Session

Attached is the addendum to the Senate Committee Services' Bills Passed During the 2001 Regular Legislative Session by Committee of Origin. This supplement provides a brief description of each Senate and House bill passed during the 1<sup>st</sup> and 2<sup>nd</sup> Special Sessions of the 2001 Legislature.

Because a majority of these bills are awaiting action by the Governor, this report does not include information regarding vetoes. The Gubernatorial vetoes will be detailed in the upcoming 2001 Final Legislative Report.

We trust that you find both the initial report (attached) and this supplemental to be useful. Once again, it was a pleasure to serve you during these 2001 legislative sessions. We look forward to working with you in preparations for challenges ahead.

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## AGRICULTURE & INTERNATIONAL TRADE

786-7411

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### **ESSB 5237: MAKING ANNUAL TRANSFERS OF MONEY INTO THE FAIR FUND.**

*Prime Sponsor: Senator Rasmussen*

*(HB 1025 Representative Sump)*

- ! Transfers \$2 million each fiscal year to the fair fund to be distributed by the State Fairs Commission to local fairs and youth shows.
- ! Provides an additional one-time appropriation to the fair fund for the upcoming fiscal year for special assistance grants to fairs.

### **SSB 5496: MODIFYING TAXES ON ANIMAL HEALTH PRODUCTS.**

*Prime Sponsor: Senator Rasmussen*

*(HB 1886 Representative Linville)*

- ! Sales to farmers or to veterinarians of animal pharmaceuticals to be administered to an animal that is raised by a farmer for sale as an agricultural product are exempt from the sales tax.

### **2SSB 5947: PROVIDING TAX RELIEF TO DAIRY FARMERS AND ANAEROBIC DIGESTERS.**

*Prime Sponsor: Senator Rasmussen*

- ! Once a dairy nutrient management plan has been certified as being fully implemented, the purchase of services or replacement equipment necessary to maintain the plan are exempt from the sales tax.
- ! Anaerobic digester and services to install, construct or repair anaerobic digesters are exempt from the sales tax. To qualify, the anaerobic digester must be used primarily to treat dairy manure.

### **HB 1984: CREATING THE SMALL FARM DIRECT MARKETING ASSISTANCE PROGRAM.**

*Prime Sponsor: Representative Quall*

*(SB 5613 Senator Rasmussen)*

- ! Establishes a Small Farm Direct Marketing Assistance Program to be administered by the Department of Agriculture.
- ! Requires the Director of Agriculture to issue a report to the Legislature on the accomplishments of the program by December 1, 2006.
- ! The program expires July 1, 2007, unless extended by the Legislature.

### **EHB 2266: MODIFYING REIMBURSEMENT FOR TRAVEL EXPENSES INCURRED BY CERTAIN AGRICULTURAL BOARDS AND COMMISSIONS.**

*Prime Sponsor: Representative Linville*

- ! Provides the option for specific commodity commissions to reimburse commission members and staff for actual travel expenses rather than at rates set by the Office of Financial Management.
- ! To utilize this option, commodity commissions must reference the use of actual travel expenses in their marketing order.

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## EDUCATION

786-7420

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### **2ESB 5686: CHANGING ACADEMIC ASSESSMENTS TIMELINES.**

*Prime Sponsor: Senator Eide*

*(HB 1476 Representative Santos)*

- ! The statutory timelines for the development and administration of the Washington Assessment of Student Learning (WASL) in science, social studies, arts, and health and fitness are revised to delay the tests for up to three years from the current timelines.

### **E2SHB 2025: CHANGING TRANSITIONAL BILINGUAL INSTRUCTION PROGRAM PROVISIONS.**

*Prime Sponsor: Representative Santos*

- ! The Superintendent of Public Instruction (SPI), in consultation with stakeholders, must review the criteria used to determine (1) when bilingual students must take the Washington Assessment of Student Learning (WASL) and (2) when bilingual students' WASL scores should be included with other students' scores.
- ! The SPI must develop an evaluation system designed to measure increases in the English and academic proficiency of students participating in the transitional bilingual instruction program.
- ! The Legislature must approve and fund the evaluation system before it may be implemented.

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## ENVIRONMENT, ENERGY, & WATER

786-7455

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### **SSB 5919: PROVIDING FOR THE ASSESSMENT OF POTENTIAL SITE LOCATIONS FOR WATER STORAGE PROJECTS.**

*Prime Sponsor: Senator Morton*

- ! Watershed planning groups may identify potential storage site locations for water storage projects.
- ! Possible storage alternatives include off-channel storage, underground storage, the enlargement or enhancement of existing storage, and on-channel storage.

### **SSB 6012: ALLOWING CUSTOMARY AGRICULTURAL RELATED BURNING IN AN URBAN GROWTH AREA.**

*Prime Sponsor: Senator Honeyford*

- ! Outdoor burning that is normal, necessary, and customary to ongoing agricultural activities is allowed within the urban growth area under specified conditions.
- ! Burning is not allowed during "air quality episodes" or when there is "impaired air quality."

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## HEALTH & LONG-TERM CARE

786-7436

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### **HB 2230: REVISING STATE HEALTH AND EMPLOYMENT SUPPORT BENEFITS FOR INCAPACITATED OR DISABLED INDIVIDUALS.**

*Prime Sponsor: Representative Cody (SB 5423 Senator Fairley/HB 1390 Representatives Cody and Pflug)*

- ! The Legislature states its intent to implement the federal ticket to work and work incentives improvement act of 1999.
- ! The Department of Social and Health Services (DSHS) is to continue Medicaid coverage for individuals with disabilities who go to work.
- ! As part of this program, DSHS will establish earned income disregards, cost sharing, and a schedule of premiums that eliminate disincentives to work.

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## HUMAN SERVICES & CORRECTIONS

786-7436

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### **3ESSB 6151: REVISING PROVISIONS RELATING TO SEX OFFENDERS.**

*Prime Sponsor: Senator Long*

- ! DSHS may site and operate a secure community transition facility and relocate the 404-bed Special Commitment Center on McNeil Island exempt from inconsistent comprehensive plans or development regulations. The secure community transition facility is limited to 15 transitional and 9 pre-transitional beds.
- ! Operational requirements are established for secure community transition facilities both on McNeil Island and in other parts of the state. Additional secure community transition facilities that meet the siting criteria may be located throughout the state, subject to equitable distribution provisions. An incentive plan is established to encourage rapid siting.
- ! Indeterminate sentencing for certain high-risk sex offenders is restored. Offenders sentenced to an indeterminate sentence are under the authority of the Indeterminate Sentence Review Board and subject to the Offender Accountability Act, except that in some cases community custody may not be granted or may be revoked.
- ! There are changes to the definitions and seriousness levels of specific crimes.

*(The following bills in their entirety were incorporated into 3ESSB 6151)*

#### **SB 6149: Providing for siting and operation of a less restrictive alternative treatment facility on McNeil Island.**

*Prime Sponsor: Senator Long (HB 2223 Representatives Ogden and Ballasiotes)*

#### **ESSB 5845: Regulating siting of sex offender treatment facilities.**

*Prime Sponsor: Senator Fraser*

#### **ESSB 5465: Changing provisions relating to sex offender treatment providers.**

*Prime Sponsor: Senator Costa*

#### **EHB 2262: Changing sexual misconduct laws with regard to school employees**

*Prime Sponsor: Representative Lambert*

*(3ESSB 6151– continued on page 4)*

*(Partial provisions of the following bills were incorporated into 3ESSB 6151)*  
**SB 5885: Providing criteria for siting of treatment facilities for sexually violent predators.**

*Prime Sponsor: Senator Hewitt HB 1495 Representative Schoessler)*

**2EHB 2168: Regulating siting of essential state community justice facilities.**

*Co-Prime Sponsors: Representatives Conway & Schoessler*

*(Policy and provisions of HB 2168 related to equitable distribution of less restrictive alternative facilities.)*

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## JUDICIARY

786-7462

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**HCR 4414: CREATING A JOINT SELECT COMMITTEE ON CIVIL FORFEITURE.**

*Prime Sponsor: Representative Carrell*

- ! Creates the Joint Select Committee on Civil Forfeiture.
- ! The committee will evaluate civil forfeiture laws and practices, conduct a comprehensive review of every civil forfeiture case that took place in the state in the year 2000, discuss other civil forfeiture issues identified by the committee, and make recommendations on ways to improve civil forfeiture laws.
- ! The committee reports its findings and recommendations to the Senate and House Judiciary Committees no later than December 1, 2001.

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## LABOR, COMMERCE & FINANCIAL INSTITUTIONS

786-7426

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**ESSB 5407: ALLOWING MORE SIMULCAST HORSE RACING.**

*Prime Sponsor: Senator West*

*(ESHB 1571 Representative Wood)*

- ! This bill eliminates the provisions that govern when and how often a class 1 racing association may import simulcast programs from out-of-state racing facilities during live race meets.
- ! Thus, during the live racing season, a class 1 racing association may simulcast five days per week.

**ESSB 6007: EXTENDING UNEMPLOYMENT INSURANCE COVERAGE TO EMPLOYEES OF INDIAN TRIBES.**

*Prime Sponsor: Senator Prentice*

- ! Due to a new federal law, tribal enterprises are generally treated the same as state and local government entities, for purposes of unemployment insurance.
- ! Tribes are allowed two options for payment of unemployment insurance, and are subject to strict requirements for timely payment.

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## STATE & LOCAL GOVERNMENT

### 786-7432

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#### **SHB 1926: INCREASING THE SURCHARGE ON COUNTY AUDITOR RECORDING FEES.**

*Prime Sponsor: Representative Sehlin*

*(SB 5892 Senator Patterson)*

- ! The existing \$1 surcharge applied to each document filed with county auditors is made permanent. Permitted expenditures from revenues generated by the existing \$1 surcharge are expanded to allow expenditures for local government digital data services, local government records training, and a competitive grants program for local governments.
- ! Beginning on January 1, 2002, a second \$1 surcharge applies to each document filed with county auditors. Revenue from this surcharge is used exclusively to pay for the construction of a new Eastern Washington Regional Archives. However, to the extent that state agencies will use a portion of the new archives, state funds must pay for that portion of construction costs.

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## TRANSPORTATION

### 786-7300

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#### **3ESSB 5327: FUNDING TRANSPORTATION DURING THE 2001-2003 BIENNIUM**

- ! Provides biennial appropriations for the 2001-2003 biennial transportation budget.
- ! Department of Transportation - \$2.689 billion; Washington State Patrol - \$244 million; Department of Licensing - \$166 million; Transportation Improvement Board - \$213 million; County Road Administration Board - \$81 million; Traffic Safety Commission - \$ 9 million; and small agencies with transportation functions - \$9 million. Total appropriations - \$3.411 billion.

#### **SB 6181: ALLOWING WASHINGTON STATE FERRY FARES TO BE INCREASED IN EXCESS OF THE FISCAL GROWTH FACTOR.**

*Prime Sponsor: Senator B. Sheldon*

- ! Allows the Transportation Commission to raise ferry fares in excess of the Initiative 601 limitation on fee increases.

#### **ESB 6188: STREAMLINING THE ENVIRONMENTAL PERMIT PROCESS FOR TRANSPORTATION PROJECTS.**

*Prime Sponsor: Senator Prentice*

- ! Creates the Transportation Permit Efficiency and Accountability Committee. The voting members of the committee are legislators, representatives from state agencies, and representatives from local governments.
- ! The committee must assess the application of current environmental standards and integrate those standards when appropriate. Any integration of standards must comply with current federal, state, and local law.
- ! The committee must develop a list of streamlining opportunities and make recommendations to the Legislature on the necessary statutory or administrative changes.
- ! The legislation expires March 31, 2003.

**ESB 6194: AUTHORIZING PORT DISTRICTS TO PROVIDE PILOTS IN GRAYS HARBOR.**

*Prime Sponsor: Senator Snyder*

- ! A countywide port district located within the Grays Harbor pilotage district is created and may begin pilotage service on or before June 30, 2001, as long as the district provides written notice to the chair of the Board of Pilotage Commissioners 30 days before beginning to provide services.
- ! The Joint Legislative Audit Review Committee must conduct a study to determine the effectiveness of the legislation and must report to the Senate and House Transportation Committees no later than June 30, 2006.

**2ESHB 1266: MAKING SUPPLEMENTAL TRANSPORTATION APPROPRIATIONS.**

*Prime Sponsor: Representative Fisher*

*(SSB 5326 Senator Haugen)*

- ! Provides supplemental budget adjustments to the original 1999-01 transportation budget (includes the 2000 supplemental transportation budget).

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**WAYS & MEANS**  
**786-7715**

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**ESSB 5937: CHANGING POST-RETIREMENT EMPLOYMENT RESTRICTIONS FOR TEACHERS' RETIREMENT SYSTEM, PUBLIC EMPLOYEES' RETIREMENT SYSTEM, AND SCHOOL EMPLOYEES' RETIREMENT SYSTEM RETIREES.**

*Prime Sponsor: Senator Shin*

*(HB 1475 Representative Jackley)*

- ! PERS Plan 1 and TRS Plan 1 retirees may work up to 1500 hours in a year without a reduction of their retirement benefits. If the retiree works more than 867 hours in a year their employer will make contributions to the retirement plan on their behalf. The ability to work 1500 hours without a reduction in benefits sunsets in 2004.
- ! PERS Plan 2, TRS Plan 2, and SERS Plan 2 retirees may work up to 867 hours in a year without a reduction in their retirement benefits.

**ESB 5990: ISSUING GENERAL OBLIGATION BONDS.**

*Prime Sponsor: Senator Fairley*

*(HB 1828 Representative Alexander)*

- ! Provides authority to the State Finance Committee to enter into debt to finance capital appropriations authorized in ESSB 6155. Total general obligation bond authority equals \$935 million including financing and sales costs.
- ! The 7 percent statutory debt limit is amended to exclude debt secured by the capitol trust timber proceeds and state parking fees. Capitol trust timber proceeds will finance bonds for the Legislative Building renovation. State parking fees will finance the reconstruction of the capitol campus parking garage.

**ESSB 6153: MAKING 2001-03 OPERATING APPROPRIATIONS.**

*Prime Sponsor: Senator Brown*

- ! Appropriations are made for the operations of state agencies for the 2001-2003 fiscal biennium.
- ! Total state General Fund appropriations are \$22,787 million. For additional information, see "2001-03 Statewide Summary & Agency Detail" published by the Senate Ways & Means Committee.

**SSB 6155: MAKING APPROPRIATIONS AND AUTHORIZING EXPENDITURES FOR CAPITAL IMPROVEMENTS.**

*Prime Sponsor: Senator Brown*

- ! Appropriations are made for the 2001-2003 fiscal biennium for capital construction by state agencies and for capital grants to local governments and various non-governmental organizations.
- ! Total state bond appropriations are \$879 million. For additional information, see "2001-03 Agency Capital Project Summary" published by the Senate Ways & Means Committee.

**ESSB 6167: ENSURING SOUND ACTUARIAL FUNDING OF THE STATE RETIREMENT SYSTEMS.**

*Prime Sponsor: Senator Brown*

*(HB 2236 Representative Sehlin)*

- ! New long-term economic assumptions and a new asset value smoothing technique are adopted for funding state retirement plans. The target date for fully funding all PERS 1 and TRS 1 liabilities is moved from December 31, 2016, to June 30, 2024.
- ! New employer, state, and Plan 2 member contribution rates are adopted for the 2001-2003 biennium for PERS, TRS, SERS, and LEOFF Plan 2.
- ! The roles of the Pension Funding Council (PFC) and the Legislature in adopting economic assumptions, asset value smoothing techniques, and contribution rates is clarified.

**ESB 6198: ALLOWING THE GOVERNOR TO ENTER INTO CIGARETTE SALES CONTRACTS WITH CERTAIN INDIAN TRIBES.**

*Prime Sponsor: Senator Prentice*

- ! In the 2001 session, ESSB 5372 passed allowing the Governor to enter into cooperative agreements concerning the sales of cigarettes with specifically named federally recognized Indian tribes located within Washington.
- ! The Yakama Nation and the Suquamish Tribe are added to the list of tribes that the Governor may enter into agreements with.

**2SHB 1058: PROVIDING ASSISTANCE TO TREAT BREAST AND CERVICAL CANCER.**

*Prime Sponsor: Representative Ruderman*

*(SSB 5820 Senator Kastama)*

- ! Provides Medicaid eligibility for women who: 1) are uninsured; 2) have incomes below 200 percent of the federal poverty level; and 3) are diagnosed as having breast or cervical cancer through the screening program administered by the state Department of Health.

**HB 1162: PROVIDING MEDICAL ASSISTANCE REIMBURSEMENTS FOR SMALL, RURAL HOSPITALS.**

*Prime Sponsor: Representative McMorris*

*(SB 5363 Senator Thibaudeau)*

- ! Directs the Department of Social and Health Services to reimburse the full costs incurred by certain small, rural hospitals in the treatment of state-funded patients.

**SHB 1624: CLARIFYING THE TAXATION OF AMOUNTS RECEIVED BY PUBLIC ENTITIES FOR HEALTH OR WELFARE SERVICES.**

*Co-Prime Sponsors: Representatives Morris and Cairnes*

- ! Nonprofit hospitals, health and public hospitals are exempt from business and occupation tax on payments received from organizations under contract with the federal or state government to manage health benefits for Medicare, medical assistance, children's health, or the Basic Health Plan.



- ! The exemption applies to taxes collected after the effective date of the bill, including amounts from reporting periods before the effective date of the bill.

**EHB 1845: INCREASING THE FEE FOR A SURFACE MINING RECLAMATION PERMIT.**

*Prime Sponsor: Representative Sehlin*

*(SB 5860 Senator Jacobsen)*

- ! Increases the surface mining reclamation fee from \$650 to \$1,000.
- ! Requires the Department of Natural Resources to advise a permit applicant of any information needed to complete the application -- within 60 days of receipt of the application.

**SHB 1906: EXEMPTING FARMING MACHINERY AND EQUIPMENT FROM THE STATE PROPERTY TAX.**

*Prime Sponsor: Representative Linville*

*(SB 5668 Senator Rasmussen)*

- ! Machinery and equipment owned by a farmer and used exclusively to grow agricultural products is exempt from the state property tax. The farmer continues to pay local property taxes on the machinery and equipment.
- ! Language is included to prevent taxes from shifting to other taxpayers.

**HB 2098: CHANGING THE PROPERTY TAX EXEMPTION FOR VERY LOW-INCOME HOUSEHOLDS.**

*Prime Sponsor: Representative Edmonds*

*(SB 6092 Senator Kohl-Welles)*

- ! In 1999, the Legislature passed legislation which provided a property tax exemption for property owned by nonprofit entities that provide housing for very low-income households.
- ! This bill makes some minor changes to that bill in order to make this program more administratively effective.

**ESHB 2138: PROMOTING RURAL ECONOMIC DEVELOPMENT**

*Co-Prime Sponsors: Representatives G. Chandler and Linville*

- ! The business and occupation tax rate on manufacturing dairy products and by-products, or selling the same to a purchaser who transports the products out of state, is reduced from 0.484 percent to 0.138 percent.
- ! Sales and use exemptions are provided for sales to farmers of: 1) propane or natural gas used to heat structures that house chickens; and 2) bedding materials for chickens, such as wood shavings, straw, and similar materials.

**HB 2233: ALLOWING FOR STATE OR FEDERAL ADMINISTRATION OF STATE SUPPLEMENTAL PAYMENTS FOR RECIPIENTS OF SUPPLEMENTAL SECURITY INCOME BENEFITS.**

*Prime Sponsor: Representative H. Sommers*

- ! Changes a requirement that the state contract with the federal government for the administration of state supplemental payments for the Supplemental Security Income Program (SSI) to allow for state administration of these payments.

**SHB 2227: ESTABLISHING THE EASTERN WASHINGTON VETERANS' HOME.**

*Prime Sponsor: Representative Ahern*

- ! Authorizes the Department of Veterans Affairs to establish and operate a nursing home in Eastern Washington which will serve veterans and their spouses.

**SHB 2242: REVISING PROVISIONS FOR MEDICAID NURSING HOME RATES.**

*Prime Sponsor: Representative Cody*

- ! Addresses direct-care rate decreases which would otherwise occur when "case-mix hold harmless" provisions expire in July 2002 by: 1) permanently setting the case-mix corridor at 90-110 percent, rather than collapsing it to 95-105 percent, and then to the median, as provided under previous law; and 2) establishing a separate, third "peer group" for direct-care rates, consisting of those counties in which the median facility direct care cost is at least 10 percent higher than the median in all other urban counties.
- ! Increases the minimum occupancy allowed for state rate-setting purposes on property-, administration-, and utilities-related costs to 90 percent effective July 2002, and does not exempt beds taken off-line ("banked") after May 25, 2001, from the minimum occupancy calculation.
- ! Permanently enacts the statutory system for setting property and financing rates, and makes the amount of new construction costs which will be recognized in future rate-setting subject to legislative appropriation.

**HB 2258: FUNDING DROUGHT AND EARTHQUAKE EMERGENCY RELIEF.**

*Prime Sponsor: Representative H. Sommers*

- ! Appropriates \$20 million from the Emergency Reserve Fund for the 2001-03 biennium for deposit in the Nisqually Earthquake Account in response to the Nisqually earthquake emergency.
- ! Appropriates \$5 million from the Emergency Reserve Fund for the 2001-03 biennium for deposit in the State Drought Preparedness Account in response to the statewide drought emergency.

**EHB 2260: CHANGING THE TAX TREATMENT OF GROCERY DISTRIBUTION COOPERATIVES.**

*Prime Sponsor: Representative Cairnes*

*(SB 6186 Senator Prentice)*

- ! Grocery distribution cooperatives are taxed under the business and occupation tax at 1.5 percent on sales to their customer-owners rather than at 0.484 percent. A deduction is allowed equal to the cost of goods sold.
- ! Grocery distribution cooperatives are exempt from the litter tax.
- ! To be eligible, the grocery distribution cooperative must have been determined by a court not to be selling at wholesale and subsequently change business form to make sales at wholesale.